

MINUTE ITEM

19. (BIDDING PROCEDURE, OIL AND GAS LEASES, SECTION 6801, PUBLIC RESOURCES CODE - GEN. DATA-OIL AND GAS.)

After presentation of Calendar Item 17 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION AUTHORIZES THE ACTING EXECUTIVE OFFICER TO INITIATE PROCEDURES UNDER THE PROVISIONS OF SECTIONS 11420-11427 OF THE GOVERNMENT CODE FOR CONSIDERATION OF THE ADDITION OF SECTION 1915 TO THE RULES AND REGULATIONS TO ~~REQUIRE THAT IN THE EVENT OF SUBMITTAL OF A BID BY A PARTNERSHIP, EITHER~~ JOINTLY OR INDIVIDUALLY, SUCH PARTNERSHIP BE REQUIRED TO SUBMIT A SWORN STATEMENT WITH THE BID, IN THE FORM OF AN AFFIDAVIT OR CERTIFIED STATEMENT, THAT EACH AND EVERY LIMITED PARTNER IS DULY QUALIFIED UNDER SECTION 6801 OF THE PUBLIC RESOURCES CODE.

THE COMMISSION APPROVES AN INITIAL REVIEW OF THE SUGGESTED RULE CHANGES BY ALL INTERESTED PARTIES, TO BE PRESENTED IN WRITING ONLY, WITH ALL PRESENTATIONS TO BE CONSIDERED BY THE COMMISSION AT A FUTURE MEETING WHERE OPPORTUNITY WILL BE GIVEN FOR PRESENTATION OF FURTHER STATEMENTS, ARGUMENTS OR CONTENTIONS OF INTERESTED PERSONS ORALLY, AS SPECIFIED BY THE APPROPRIATE SECTIONS OF THE GOVERNMENT CODE.

Attachment

Calendar Item 17 (1 page)

CALENDAR ITEM

OIL & GAS

17.

(BIDDING PROCEDURE, OIL AND GAS LEASES, SECTION 6801, PUBLIC RESOURCES CODE - GEN.DATA- O&G.)

Section 6801(d) of the Public Resources Code provides that in every case of joint bidding the names of all persons, firms, or corporations interested in a particular joint bid shall be specified. In conjunction with the review of modified rules and regulations, it is the informal opinion of the office of the Attorney General that the Commission is not required as a matter of law to obtain the names of limited partners in the case of participation in a joint bid by a partnership. However, qualifications as to bidders are also specified in Section 6801, which cannot be evaluated without knowledge as to the bidders interested. While disclosure of names could be required under Section 6801(d), a mere listing of the names would not furnish the comprehensive data necessary to check the qualifications of each and every limited partner involved in a particular bid transaction. Therefore, in conjunction with the provisions proposed for adoption under Regulation 1913 (Calendar Item 18), relating to omission of individual reporting of persons who are not to participate in management, operation or control under a joint bid, it is suggested that, pending consideration of adoption of a regulatory requirement, the Commission authorize the specification of a requirement in all bid proposals that each partnership participating in a joint bid furnish a sworn statement, in the form of an affidavit or certified statement, that each and every limited partner is duly qualified under Section 6801 of the Public Resources Code.

IT IS RECOMMENDED THAT THE COMMISSION:

- (1) AUTHORIZE THE INCLUSION IN FUTURE PROPOSALS TO RECEIVE BIDS FOR OIL AND GAS LEASES OF A REQUIREMENT IN THE EVENT OF PARTICIPATION IN A JOINT BID BY A PARTNERSHIP, THAT THE PARTNERSHIP SUBMIT A SWORN STATEMENT WITH THE BID, IN THE FORM OF AN AFFIDAVIT OR CERTIFIED STATEMENT, THAT EACH AND EVERY LIMITED PARTNER IS DULY QUALIFIED UNDER SECTION 6801 OF THE PUBLIC RESOURCES CODE.
- (2) AUTHORIZE THE ACTING EXECUTIVE OFFICER TO INITIATE PROCEDURES UNDER THE PROVISIONS OF SECTIONS 11420-11427 OF THE GOVERNMENT CODE FOR CONSIDERATION OF THE ADDITION OF SECTION 1915 TO THE RULES AND REGULATIONS TO REQUIRE THAT IN THE EVENT OF PARTICIPATION IN A JOINT BID BY A PARTNERSHIP, THAT SUCH PARTNERSHIP BE REQUIRED TO SUBMIT A SWORN STATEMENT WITH THE JOINT BID, IN THE FORM OF AN AFFIDAVIT OR CERTIFIED STATEMENT, THAT EACH AND EVERY LIMITED PARTNER IS DULY QUALIFIED UNDER SECTION 6801 OF THE PUBLIC RESOURCES CODE.